

Rutherford County

*Rutherford County Office Building
289 N. Main Street
Rutherfordton, NC 28139*



Meeting Agenda

Tuesday, October 21, 2014

5:30 PM

Rutherford County Airport Authority

I. Call To Order**II. Pledge of Allegiance****III. Public Comments**

Comments should be limited to five (5) minutes. Written comments submitted prior to the Board meeting will be copied and distributed to the Airport Authority.

IV. Consent Agenda

Minutes of September 4, 2014 Meeting

Attachments: 2014.09.04Minutes

V. Financial Report

September Expense Report

Attachments: Expense Report Sept 2014

VI. Airport Operations Report

Weekly Report

Attachments: 2014.10.13 weekly report

VII. Old Business

Transfer Request-CAAMS

Attachments: CAAMS Transfer request 5C

Operational Agreement Approvals

Amended Fuel Prepay Policy

Attachments: amended fuel policy October 2014

VIII. New Business

Airport Layout Plan-WK Dickson

Attachments: Airport Layout Plan October 2014

X. Adjourn

**MINUTES OF THE MEETING OF THE RUTHERFORD COUNTY AIRPORT AUTHORITY HELD AT
THE RUTHERFORD COUNTY AIRPORT ON SEPTEMBER 4, 2014 AT 5:30 PM.**

**PRESENT: CHAIRMAN GREG LOVELACE
VICE CHAIRMAN EDDIE HOLLAND
WILLIAM ECKLER
ROGER RICHARD
JULIUS OWENS**

ABSENT:

CALL TO ORDER/ PLEDGE OF ALLEGIANCE

Chairman Lovelace called the meeting to order and William Eckler led in the Pledge of Allegiance.

PUBLIC COMMENTS

There were no public comments.

Amendment to Agenda

Chairman Lovelace stated that a closed session needed to be added to the agenda for attorney client privilege NCGS 143-318-11(a)(3).

William Eckler made a motion to amend the agenda to add the closed session for attorney client privilege and Vice Chairman Holland seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, Owens and Richard voting aye; no Airport Authority Member voting no; and no Airport Authority excused.

Minutes July 15, 2014

Vice Chairman Holland made a motion to approve the minutes of the July 15, 2014 meeting and William Eckler seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, and Owens voting aye; Airport Authority Member Roger Richard voting no; and no Airport Authority excused.

Financial Report

County Manager Carl Classen reported on the revenues and expenditures through August 21, 2014. There were no questions about the financial report.

Operational Agreements

Planewerks has been presented with an operating agreement which he has a concern with the use of 5 tie downs that has been utilized for no charge for seven or eight years. The Airport Authority secretary and attorney didn't find any documentation in the minutes of an agreement for the utilization of 5 tie downs with the previous board.

Chairman Lovelace made a motion to agree to the original operational agreement plus adding the use of the tie downs unless the airport is in need of the space. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, Owens and Richard voting aye; no Airport Authority Member voting no; and no Airport Authority Member excused.

Big Air Aviation has been presented with a license and use agreement with a term of 3 years.

William Eckler made a motion to approve agreement as authorized and Vice Chairman Holland seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, Owens and Richard voting aye; no Airport Authority Member voting no; and no Airport Authority excused.

CAAMS has been presented with an operating agreement.

These agreements will be finalized and brought back to the board in October.

Airport Operations Report

Chris Roach reported fuel sales for the month of July to be 12,250.22 gallons and August was 11,666.03 gallons. He stated that the airport hosted a Poker Run at which 26 airplanes were in attendance. He also stated that the hours of operations changed September 1st to 9am to 6pm, seven days a week.

Airport Industrial Park

Matt Blackwell, Director of Economic Development, spoke about a conceptual development plan that involves using the airport as an asset to attract new businesses.

The Airport Authority received a letter from the Tryon International Equestrian Center to request extending the runway to accommodate the large business jets that will be visiting for the horse shows.

Extending the runway is already a part of the layout plan but it is now moved to the top of the list. There will need to be some land acquisitions to move forward with the project.

Jimmy Luther stated that there were 2 grants in place to help with the project. Jimmy Luther will work on a timeline to bring back to the next meeting for the extension project.

Closed Session Attorney Client Privilege NCGS 143-318-11(a)(3).

William Eckler made a motion and Vice Chairman Holland seconded to go into closed session regarding attorney client privilege pursuant to NCGS 143-318.11(a)(3). The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, Owens and Richard voting aye; no Airport Authority Member voting no; and no Airport Authority Member excused.

Closed Session - 7:14
Return to Open Session - 7:26

ADJOURNMENT

William Eckler moved to adjourn and Julius Owens seconded. The motion passed with Chairman Lovelace, Vice Chairman Holland, Eckler, Owens and Richard voting aye; no Airport Authority Member voting no; and no Airport Authority excused.

7:29 P.M. - Adjourned.

Chairman, Airport Authority

Vice Chairman, Airport Authority

Attest:

Secretary to the Airport Authority

RUTHERFORD COUNTY
Airport - Revenue and Expense
Report dates 07/01/2014 - thru - 09/30/2014

Account Number	Account Description	Amended Budget	Period Activity 09/01/2014 to 09/30/2014	Fiscal Year to Date 07/01/2014 to 09/30/2014	Encumbrances	Available Budget	% Used
13-3453-410-01-000	AIRPORT FUEL SALES	360,000.00	-34,933.77	-118,490.49	0.00	241,509.51	32.91
13-3453-800-00-000	AIRPORT MISCELLANEOUS REVENUES	0.00	0.00	-25.00	0.00	-25.00	0.00
AIRPORT		360,000.00	-34,933.77	-118,515.49	0.00	241,484.51	32.92
13-3834-800-01-000	RENTS-AIRPORT	18,400.00	-1,513.75	-3,948.75	0.00	14,451.25	21.46
MISCELLANEOUS REVENUE RENTS		18,400.00	-1,513.75	-3,948.75	0.00	14,451.25	21.46
13-3980-980-10-000	CONTRIBUTION FROM GENERAL FUND	80,374.00	0.00	0.00	0.00	80,374.00	0.00
TRANSFERS FROM OTHER FUNDS		80,374.00	0.00	0.00	0.00	80,374.00	0.00
Total Revenue		458,774.00	-36,447.52	-122,464.24	0.00	336,309.76	26.69
13-4101-181-00-000	F I C A	0.00	0.00	0.00	0.00	0.00	0.00
13-4101-181-01-000	MEDICARE FICA 1.45%	0.00	0.00	0.00	0.00	0.00	0.00
13-4101-182-00-000	RETIREMENT EMPLOYER	0.00	0.00	0.00	0.00	0.00	0.00
13-4101-182-01-000	401K EMPLOYER	0.00	0.00	0.00	0.00	0.00	0.00
13-4101-183-01-000	LIFE & DISABILITY INS EMPLOYER	0.00	0.00	0.00	0.00	0.00	0.00
13-4101-189-01-000	CAFETERIA ADMINISTRATIVE FEES	0.00	0.00	-0.50	0.00	0.50	0.00
13-4101-298-01-000	STATE SALES TAX 4.5%	0.00	0.00	22.94	0.00	-22.94	0.00
13-4101-298-03-000	COUNTY SALES TAX 2% & 2.5%	0.00	0.00	9.66	0.00	-9.66	0.00
CLEARING ACCOUNTS		0.00	0.00	32.10	0.00	-32.10	0.00
13-4530-121-00-000	AIRPORT SALARIES REGULAR	38,783.00	2,961.01	8,883.05	0.00	29,899.95	22.90
13-4530-126-00-000	SALARIES TEMPORARY PART-TIME	28,834.00	1,548.08	4,526.57	0.00	24,307.43	15.70
13-4530-181-00-000	F I C A	4,219.00	240.97	715.60	0.00	3,503.40	16.96
13-4530-181-01-000	MEDICARE FICA	986.00	56.35	167.36	0.00	818.64	16.97
13-4530-182-00-000	RETIREMENT	4,980.00	371.60	1,110.08	0.00	3,869.92	22.29
13-4530-182-01-000	NC RETIREMENT 401K	1,260.00	96.23	288.69	0.00	971.31	22.91
13-4530-183-00-000	HEALTH AND LIFE INSURANCE	6,461.00	526.07	1,578.21	0.00	4,882.79	24.43
13-4530-183-01-000	EMPLOYEE EVALUATIONS	100.00	0.00	0.00	0.00	100.00	0.00
13-4530-186-00-000	WORKMENS COMPENSATION	1,677.00	0.00	1,667.00	0.00	10.00	99.40
13-4530-189-01-000	OTHER FRINGE BENEFITS	0.00	0.50	1.50	0.00	-1.50	0.00
13-4530-192-00-000	PROFESSIONAL SERVICES LEGAL	9,000.00	11,889.51	12,489.51	0.00	-3,489.51	138.77
13-4530-192-01-000	PROFESSIONAL SERVICES OTHER	0.00	3,205.00	4,310.00	0.00	-4,310.00	0.00
13-4530-251-01-000	AV FUEL PURCHASES	300,000.00	26,498.74	89,507.46	62,588.93	147,903.61	50.70
13-4530-260-00-000	OFFICE SUPPLIES	1,500.00	33.07	195.74	0.00	1,304.26	13.05
13-4530-260-02-000	SUPPLIES	2,000.00	0.00	376.17	0.00	1,623.83	18.81
13-4530-299-00-000	PUBLIC RELATIONS	500.00	0.00	0.00	0.00	500.00	0.00
13-4530-311-00-000	TRAVEL/EXPENSE REIMBURSEMENT	300.00	0.00	0.00	0.00	300.00	0.00

Account Number	Account Description	Amended Budget	Period Activity 09/01/2014 to 09/30/2014	Fiscal Year to Date 07/01/2014 to 09/30/2014	Encumbrances	Available Budget	% Used
13-4530-321-00-000	TELEPHONE	1,800.00	125.71	589.19	0.00	1,210.81	32.73
13-4530-325-00-000	POSTAGE	75.00	0.00	3.99	0.00	71.01	5.32
13-4530-331-00-000	UTILITIES SEWER WATER ELECTRIC	7,500.00	851.31	2,376.35	0.00	5,123.65	31.68
13-4530-351-00-000	REPAIRS & MAINT AIRPORT	4,000.00	169.45	495.82	0.00	3,504.18	12.40
13-4530-352-00-000	MAINTENANCE TO EQUIPMENT	5,000.00	0.00	66.77	3,800.33	1,132.90	77.34
13-4530-353-00-000	MAINTENANCE TO VEHICLES	1,000.00	0.00	0.00	0.00	1,000.00	0.00
13-4530-370-00-000	ADVERTISING	500.00	0.00	154.68	0.00	345.32	30.94
13-4530-440-00-000	SERVICE & MAINTENANCE CONTRACTS	30,000.00	2,225.00	4,450.00	22,250.00	3,300.00	89.00
13-4530-451-00-000	PEROPERTY/OPERATIONS INSURANCE	7,949.00	0.00	0.00	0.00	7,949.00	0.00
13-4530-491-00-000	DUES & SUBSCRIPTION	350.00	42.00	220.50	0.00	129.50	63.00
AIRPORT		458,774.00	50,840.60	134,174.24	88,639.26	235,960.50	48.57
Total Expense		458,774.00	50,840.60	134,206.34	88,639.26	235,928.40	48.57
Airport Fund		0.00	14,393.08	11,742.10	88,639.26	100,381.36	37.63

Brooke Watson

From: Chris Roach
Sent: Monday, October 13, 2014 5:14 PM
To: Carl Classen
Cc: Paula Roach; Brooke Watson
Subject: Weekly Fuel Report
Attachments: Weekly Fuel Report.xlsx

Carl,

The following current prices are now valid for Oct. 13th, 2014

Jet-A - 3.04028 (-0.09504)
100LL - call for pricing (Full Load)
100LL - call for pricing (Half Load)

Current fuel prices for Rutherford County Airport and surrounding areas:

KFQD - Rutherford - (100LL = \$5.25) (Jet-A = \$4.70)

Surrounding Airports

KEHO - Shelby - (100LL self serv = \$5.13) (100LL full serv = \$5.53) (Jet-A = \$4.70)
KMRN - Morganton - (100LL = \$5.75) (JetA = \$5.69)
KAVL - Asheville - (100LL = \$7.55) (JetA = \$7.11)
KSPA - Spartanburg - (100LL = \$5.14) (JetA = \$4.69)
35A - Union, SC - (100LL = \$5.30) (JetA = not sold)
KHKY - Hickory - (100LL self serv = \$5.48) (100LL full serv = \$5.91) (JetA = \$5.71)
KDCM - Chester - (100-LL = \$5.90) (JetA = \$5.80)

Price Changes This Week

KAVL - Asheville - lowered jet-a 1 cent; 7.11 to 7.10
KAVL - Asheville - lowered 100-ll 5 cents; 7.60 to 7.55
KSPA - Spartanburg - lowered 100-ll 2 cents; 5.14 to 5.12

All prices current as of 10/13/14 @5:10pm.

All prices include sales tax.

RECOMMENDATION:

While fuel purchase prices continue to drop (nearly 10 cents for Jet-A this week) I recommend keeping our current pricing until next week, to allow for any fluctuations and/or surrounding fuel price changes that may occur.

Jet-A: Keep Current Price: \$4.70

100-LL: Keep Current Price: \$5.25

Thank you,

Christopher Roach

Rutherford County Airport
622 Airport Road, Suite 102

Rutherfordton, NC. 28139

Chris.Roach@RutherfordCountyNC.Gov

828-755-7261 (Mobile)

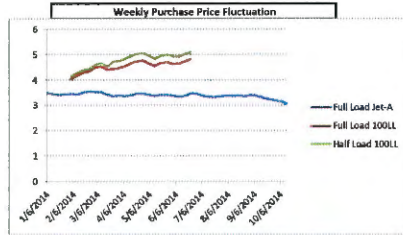
828-287-0800 (Office)

828-286-1374 (Fax)

Pursuant to North Carolina General Statutes, Chapter 132,et.seq., this electronic mail message and any attachment hereto, as well as any electronic mail message(s) that may be sent in response to it may be considered public record and as such are subject to requests for review.

Rutherford County Airport

Weekly Fuel Price Report



Sales Template - Jet-A			
Purchase Price - Jet-A	3.04078	Enter Price Here	
Mark Up	1		
CC Fee	3.00%	0.0912084	
Subtotal	4.131888	Price To Put In Machine	
Sales Tax	6.75%	0.278875467	
Total Chg	4.410764347	Price To Show On Sign	4.75

Sales Template - 100-LL			
Purchase Price - 100LL	4.368204	Enter Price Here	
Mark Up	0.3		
CC Fee	3.00%	0.13104612	
Subtotal	4.79925012	Price To Put In Machine	
Sales Tax	6.75%	0.323949283	
Total Chg	5.123199403	Price To Show On Sign	5.3

Cost Of Last Load Delivered	
Jet-A	3.1824
100-LL	4.368204

Prices Highlighted YELLOW Indicate Purchases				Selling Prices (AFTER TAX)		KEHO		KAVL		KSPA		KDCM		KHKY		KMRR		35A	
Date	Purchase Prices			Rutherford KFQD		Jet-A	100LL Full	Jet-A	100LL Full	Jet-A	100LL Full	Jet-A	100LL Full	Jet-A	100LL Full	Jet-A	100LL Full	Jet-A	100LL Full
	Full Load Jet-A	Full Load 100LL	Half Load 100LL	Jet-A	100LL Full														
8/6/2013	3.45871	4.76622	5.06072	4.78	5.35														
8/13/2013	3.44021	4.42324	4.51868	4.78	5.35														
8/20/2013	3.5039	4.65854	4.93304	4.78	5.35														
8/27/2013	3.53775	4.47424	4.56788	4.78	5.35														
9/3/2013	3.60805	4.53264	4.62878	4.99	5.36		5.2		5.3		5.55			5.78			5.72	5.3	
9/10/2013	3.53068	4.415294	4.511478	4.99	5.36		5.2		5.3		5.6			5.78			5.72	5.3	
9/17/2013	3.48755	4.168644	4.264828	4.99	5.36		5.2		5.3		5.6			5.78			5.72	5.3	
9/24/2013	3.42469	4.127864	4.224048	4.99	5.36		5.2		5.3		5.6			5.78			5.72	5.3	
10/1/2013	3.35203	4.25114	4.52564	4.99	5.36		5.2		5.3		5.6			5.78			5.72	5.3	
10/7/2013	3.37512	4.23012	4.50462	4.99	5.36		5.2		5.3		5.6			5.78			5.72	5.3	
10/14/2013	3.42182	4.2574	4.5319	4.99	5.36		5.2		5.3		5.6			5.78			5.72	5.3	
10/21/2013	3.42017	4.24266	4.51716	4.99	5.36		5.4		5.2		5.70		5.9	5.78	5.18		5.72	5.3	
10/28/2013	3.36431	4.118	4.345	4.99	5.36		5.4		5.2		5.70		5.9	5.78	5.18		5.72	5.3	
11/4/2013	3.38531			4.99	5.36		5.4		5.2		5.70		5.9	5.78	5.18		5.72	5.3	
11/11/2013	3.25285			4.99	5.36		5.4		5.2		5.70		5.9	5.78	5.18		5.72	5.3	
11/18/2013	3.29981			4.99	5.36		5.4		5.2		5.71		5.9	5.78	5.18		5.72	5.3	
11/25/2013	3.37301			4.99	5.36		5.4		5.2		5.72		5.9	5.78	5.18		5.72	5.3	
12/2/2013	3.45502			4.99	5.36		5.4		5.2		5.72		5.9	5.78	5.18		5.72	5.3	
12/9/2013	3.46491			4.99	5.36		5.4		5.2		5.72		5.9	5.78	5.18		5.72	5.3	
12/16/2013	3.42137			4.7	5.25		5.4		5.2		5.72		5.9	5.78	5.18		5.72	5.3	
12/23/2013	3.44853			4.7	5.25		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
12/30/2013	3.5285			4.7	5.25		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
1/6/2014	3.47335			4.99	5.36		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
1/13/2014	3.42369			4.99	5.36		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
1/20/2014	3.39769			4.99	5.36		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
1/27/2014	3.42113			4.99	5.36		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
2/3/2014	3.43555	4.05084	4.147068	5.1	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
2/10/2014	3.40569	4.171584	4.267768	5.1	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
2/17/2014	3.50083	4.287044	4.383228	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
2/24/2014	3.53828	4.328664	4.424848	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
3/3/2014	3.50739	4.495644	4.600128	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
3/10/2014	3.50843	4.547844	4.652328	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
3/17/2014	3.40227	4.402744	4.507228	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
3/24/2014	3.33859	4.44762	4.72212	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
3/31/2014	3.36683	4.47488	4.74938	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
4/7/2014	3.34753	4.55756	4.83206	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
4/14/2014	3.37511	4.66466	4.93916	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
4/21/2014	3.44998	4.74468	5.01918	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
4/28/2014	3.44447	4.78034	5.05484	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
5/5/2014	3.58825	4.67652	4.95102	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
5/12/2014	3.5951	4.56246	4.83696	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
5/19/2014	3.39979	4.67088	4.96538	4.99	5.31		5.35		4.95		5.76		5.9	5.64	5.05		5.72	5.3	
5/27/2014	3.39948	4.72428	4.99678	4.75	5.45		5.65		5.25		5.76		5.9	5.64	5.05		5.72	5.3	
6/2/2014	3.36265	4.65063	4.92519	4.75	5.45		5.65		5.25		5.76		5.9	5.64	5.05		5.72	5.3	
6/9/2014	3.31177	4.6533	4.9278	4.75	5.45		5.65		5.25		5.76		5.9	5.64	5.05		5.72	5.3	
6/16/2014	3.36157	4.73748	5.01194	4.75	5.45		5.65		5.25		5.76		5.9	5.64	5.05		5.72	5.3	
6/23/2014	3.46201	4.84082	5.11532	4.75	5.45		5.65		5.25		5.76		5.9	5.64	5.05		5.72	5.3	
6/30/2014	3.45025			4.75	5.45		5.7		5.3		5.76		5.9	5.64	5.05		5.72	5.3	
7/7/2014	3.36015			4.75	5.45		5.7		5.3		5.76		5.9	5.64	5.05		5.72	5.3	
7/14/2014	3.32181			4.75	5.45		5.7		5.3		5.76		5.9	5.64	5.05		5.72	5.3	
7/21/2014	3.30835			4.75	5.45		5.7		5.3		5.76		5.9	5.64	5.05		5.72	5.3	
7/28/2014	3.34577	4.423		4.75	5.45		5.7		5.3		5.76		5.9	5.64	5.05		5.72	5.3	
8/4/2014	3.35799			4.7	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
8/11/2014	3.36158			4.7	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
18-Aug	3.36816			4.7	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
8/25/2014	3.3458			4.7	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
9/2/2014	3.39578			4.75	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
9/8/2014	3.35432			4.75	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
9/15/2014	3.28326			4.75	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
9/22/2014	3.2263			4.75	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
9/29/2014	3.1824	4.368204		4.75	5.3		5.55		5.15		5.76		5.9	5.64	5.05		5.72	5.3	
10/6/2014	3.13784			4.75	5.3		5.53		5.13		5.76		5.9	5.64	5.05		5.72	5.3	
10/13/2014	3.04028			4.7	5.25		5.53		5.13		5.76		5.9	5.64	5.05		5.72	5.3	

MERRI BURWELL OXLEY
ATTORNEY AT LAW

P.O. Box 549, 312 N. Main St., Rutherfordton, NC 28139
(828) 287-3726 (828) 287-9348 (fax)

October 10, 2014

Mr. Carl Classen
Rutherford County Manager
Rutherfordton, NC 28139

Re: Hangar 5C – Rutherford County Airport

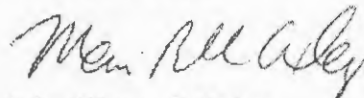
Dear Mr. Classen,

I am writing on behalf of CAAMS, LLC and CAAMS MRO Services, Inc. on a matter involving the Rutherford County Airport. Presently CAAMS, LLC leases Hangar 5C and CAAMS, MRO Service, Inc. Leases Hangar 7A.

CAAMS, LLC is requesting that the lease for Hangar 5C be transferred and assigned to CAAMS MRO Service, Inc., who is willing to accept the said assignment. This transfer is requested due to internal housekeeping matters between the two companies particularly in anticipation of the commercial operations agreements with the Rutherford County Airport Authority. This would not be a significant change at the Airport as both companies have the same owners, Michael Clyne and Ai Chong Wang and CAAMS MRO Services, Inc. already leases Hangar 7A at the Airport.

Thank you for your consideration in this matter. Please let me know if you have any questions or need any additional information.

Very truly yours,



Merri Burwell Oxley

cc: Mr. Clay Gamber
CAAMS, LLC & CAAMS MRO Services, Inc.

Prepared By: Elizabeth T. Miller, Rutherford Airport Authority Attorney
Post Office Box 800, Rutherfordton, NC 281399

NORTH CAROLINA
RUTHERFORD COUNTY

COMMERCIAL OPERATIONS AGREEMENT

THIS COMMERCIAL OPERATIONS AGREEMENT (hereinafter "Agreement"), is made and entered into effective the _____ day of _____, 2014, by and between **RUTHERFORD AIRPORT AUTHORITY**, a body politic, hereinafter called "AIRPORT AUTHORITY", and **CAAMS MRO SERVICES, INC.**, _____, hereinafter called "CAAMS";

WITNESSETH:

THAT WHEREAS, AIRPORT AUTHORITY is the owner of the Rutherford County Airport (hereinafter "Airport") and is the owner of an aircraft hangar known as Hangar 5C as shown on Exhibit A attached hereto, said hangar and premises being referred to herein as the "Subject Property," the same being located on a portion of the Airport property; and

WHEREAS, Airport Authority first entered into a Lease Agreement for the Subject Property, Hangar 5C, with Rutherford Aviation, LLC, under date of July 18, 2006; and

WHEREAS, said Lease Agreement for Hangar 5C was subsequently assigned to CAAMS, LLC, by that Assignment of Lease Agreement dated November 3, 2008 and recorded at Book _____, Page _____, Rutherford County Registry; and

WHEREAS, said Lease Agreement for Hangar 5C was subsequently assigned to CAAMS MRO SERVICES, INC. by that Assignment of Lease Agreement dated October _____, 2014 and recorded in Book _____, Page _____, Rutherford County Registry; and

WHEREAS, the Rutherford County Airport Board at its regular meeting of _____, approved this Agreement and authorized execution of the same;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the parties hereby agree as follows:

I. **PURPOSE**

A. **Purpose.** CAAMS acknowledges that the real property comprising the Rutherford County Airport has a unique purpose and an irreplaceable value in that it provides taxiway and runway access for aircraft; that existing hangars and land on which hangars can be built should be

used for aviation purposes in order to support Airport operations through lease proceeds, fuel purchases, and utilization of ancillary services; and that such use promotes revenue generating activities for the benefit and growth of the Airport and for the ability of the Airport to provide valuable services to its users.

Based upon the foregoing acknowledgement of purpose, it is agreed and understood that the Subject Property is to be used consistent with the same and as provided hereafter:

1. The parties expressly agree that in accordance with Paragraph 9 of the Lease Agreement dated July 18, 2006, referenced above, the Subject Property and the hangar situated thereon may be used for the purpose of aircraft storage, in such manner as is reasonable in view of both the size of said hangar and of the requirements and permitted uses under this Paragraph A.
2. CAAMS may also utilize the Subject Property for the commercial operation of an aircraft maintenance and repair facility, transit services (i.e., interior and exterior cleaning, catering and local transportation services), sale of aircraft and sale of parts for aircraft maintenance and repair. CAAMS shall be entitled to conduct such business operations and activities on the Subject Property as are reasonably necessary for and consistent with the stated additional purpose of operation of an aircraft maintenance facility, provided CAAMS complies with the following requirements:
 - a. The Subject Property is for the private use of CAAMS and the commercial use of CAAMS as set forth above and shall not be used for any other purpose unless otherwise expressly authorized in writing by the Airport Authority. CAAMS shall be entitled to establish and operate a facility on the Subject Property for the maintenance, repair, and storage of aircraft, together with all related and ancillary uses thereto.
 - b. CAAMS agrees that use of the Subject Property shall be in accordance with Federal, State, and local laws and regulations, including, but not limited, to those pertaining to fire and safety, as well as the Rules and Regulations of the Rutherford County Airport.
 - c. CAAMS' exclusive use is restricted to the Subject Property as described in the attached Exhibit "A" and does not apply to ramp, apron, or taxiway areas. All such exterior areas are common use areas available to all other tenants on the Airport. CAAMS agrees that CAAMS' aircraft and other property shall not be parked, positioned, placed, or stored in such exterior areas so as to block the use of the ramps, aprons, or taxiways by other Airport tenants or users. The Airport Authority reserves the right to require that aircraft or property be moved if it is interfering with the operation of the airport, in the sole discretion of the Airport Authority.
 - d. Storage of aircraft parts and accessories for CAAMS' maintenance operation on the Subject Property will be permitted.

- e. Temporary storage of operable, currently tagged personal automobiles while aircraft is in use will be permitted.
- f. CAAMS, its employees and customers shall be allowed to park vehicles only in areas designated and approved for parking by the Airport Authority.
- g. Signage affixed to the hangar is permitted only with the approval of the Airport Authority.
- h. CAAMS may make incidental uses of the Subject Property with the prior written permission of the Airport Manager. Absent such written permission, the Subject Property shall only be used for the acknowledged purpose and as stated herein.

II.

AIRPORT RULES AND REGULATIONS

This Agreement is made subject to the Rules and Regulations for the Rutherford County Airport (hereinafter the "Rules and Regulations"), and the same, as amended or changed from time to time, are made an integral part of this Agreement by reference thereto the same as if fully set forth herein.

III.

TERM

The term of this Agreement shall be for a period of three (3) years, commencing as of _____ day of _____, 2014, and continuing through the _____ day of _____, 2017. Thereafter, provided CAAMS is in compliance with all of CAAMS' requirements and obligations hereunder and in the Lease Agreement dated July 18, 2006, this Agreement shall renew automatically annually for one (1) year renewal terms each unless at least thirty (30) days prior to the end of a renewal term either party shall notify the other party in writing that the Agreement is not being renewed, in which event the same shall terminate as of the end of said renewal term. Notwithstanding the above, either party may terminate this Agreement in accordance with the provisions of Section XIII below.

IV.

FEE

In consideration of the rights and privileges granted by this Agreement, CAAMS agrees to pay to the Airport Authority during the initial three (3) year term of this Agreement, as a fee for operation of the commercial enterprise on the Subject Property, the sum of One Dollar (\$1.00) annually, payable on the anniversary date of this Agreement. Said fee payments shall be subject to the following terms and conditions:

A. **Place of Payment.** All payments due from CAAMS to the Airport Authority shall be delivered or mailed to the Rutherford County Finance Office at that address as set forth in Section XVII below.

V.

RIGHTS AND OBLIGATIONS OF CAAMS

A. **Operating Standards.** In using the Subject Property and the Rutherford County Airport, CAAMS shall meet or exceed the following standards:

1. CAAMS shall at all times conform to and meet the requirements of all applicable provisions of the Rules and Regulations for the Rutherford County Airport.
2. CAAMS shall meet all expenses and payments in connection with the use of the Subject Property and the rights and privileges herein granted, including taxes, permit fees, license fees, insurance, and assessments lawfully levied or assessed due to commercial operations upon the Subject Property.
3. CAAMS shall comply with all Federal, State, and local laws and ordinances which may apply to the conduct of the business contemplated, and shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.

B. **Use of Airport Facilities.** CAAMS shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities, and aircraft parking areas designated by Lessor.

VI.

INSURANCE

A. **CAAMS' Required Insurance.** CAAMS shall obtain and maintain continuously in effect at all times during the term of this Agreement, at CAAMS' sole expense, the following insurance:

1. Comprehensive general liability insurance and business liability insurance as against any and all liability by reason of CAAMS' conduct incident to the use of the Subject Property, or resulting from any accident occurring on or about the roads, driveways, or other public places, including runways and taxiways, used by CAAMS at the Airport, caused by or arising out of any wrongful act or omission of CAAMS, in the minimum amounts of one million (\$1,000,000) for bodily injury or death to any person and one million (\$1,000,000) for property damage;
2. Fire and extended insurance coverage for the Subject Property and all of CAAMS' contents and personal property on the Subject Property, in such amount as CAAMS shall deem to be adequate.

B. Airport Authority As Insured. The insurance specified under Paragraph A above shall name the Airport Authority and Rutherford County as an additional insured on each of the policies therefore, and CAAMS shall furnish to the Airport Authority annually a certificate of insurance evidencing CAAMS' compliance with said requirement.

C. Notice. The Airport Authority agrees to notify CAAMS in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder of which the Airport Authority has knowledge, and to co-operate with CAAMS in the investigation and defense thereof. CAAMS likewise agrees to notify the Airport Authority in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder as soon as CAAMS learns of the same.

VII.

INDEMNIFICATION

To the extent not covered by insurance carried in favor of the Airport Authority, CAAMS shall keep and hold harmless the Airport Authority and Rutherford County from and against any and all claims, demands, suits, judgments, costs, and expenses (including attorneys' fees) asserted by any person or persons, including agents or employees of the Airport Authority or Rutherford County or CAAMS, by reason of death or injury to persons or loss or damage to property, resulting from CAAMS' operations or anything done or omitted by CAAMS under this Agreement, except to the extent that such claims, demands, suits, judgments, costs, or expenses may be attributed to the negligence or intentional acts of the Airport Authority or Rutherford County or its agents or employees.

VIII.

CAAMS AS INDEPENDENT CONTRACTOR

In using the Subject Property and the Rutherford County Airport, CAAMS acknowledges that it acts as an independent contractor and not as an agent of the Airport Authority or Rutherford County.

IX.

ASSIGNMENT

CAAMS may not assign this Agreement without first having secured the written consent of the Airport Authority.

X.

LAWFUL USE

CAAMS covenants and agrees with the Airport Authority that it will not use or permit the Subject Property to be used for any unlawful purpose or permit thereon anything which may be a nuisance, or cause damage to the property, nor do or permit to be done on said Subject Property anything which may render void or voidable any policy of insurance on said premises. CAAMS

further agrees that it will not use or permit the Subject Property to be used in violation of any Federal, State, or local law or ordinance.

XI.
NON-EXCLUSIVE RIGHT

It is understood and agreed that none of the privileges granted CAAMS for use of public or common areas are exclusive, and that it shall always be within the power and authority of the Airport Authority to grant to such other parties similar privileges as the Airport Authority may deem to be in the best interests of aviation and the Rutherford County Airport. It is further understood and agreed that the use of all landing areas and taxiways shall be open at all times to all persons, firms, and corporations desiring to use the same, provided only that they shall be required to use the same in accordance with all applicable Federal, State, and local laws, ordinances, rules, and regulations. Nothing in this Agreement shall be construed to grant or authorize the granting of any exclusive right with the meaning of Section 308(a) of the Federal Aviation Act of 1958, as amended.

XII.
REQUIREMENTS OF THE UNITED STATES

This Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the Airport Authority and the United States, the State of North Carolina, or any agency thereof, relative to the operation or maintenance of the Airport, the executive of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development or operation of the Airport; provided, however, that the Airport Authority shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of CAAMS in and to the Subject Property, and to compensation for the taking thereof, interference therewith, and damage thereto, caused by such agreement or by actions of the Airport Authority or the United States pursuant thereto.

XIII.
DEFAULT AND TERMINATION

A. Termination by CAAMS. This Agreement shall be subject to termination by CAAMS in the event of any one or more of the following:

1. The abandonment of the Airport as an airport or airfield for any and all types, classes, or categories of aircraft;
2. The default by the Airport Authority in the performance of any of the terms, covenants, or conditions of this Agreement, and the failure of the Airport Authority to remedy, or undertake to remedy, to CAAMS' satisfaction, such default for a period of fifteen (15) days after receipt of written notice from Lessee to remedy the same;

3. Damage to or destruction of all or a material part of the Subject Property or Airport facilities necessary for the operation of CAAMS' business, such that CAAMS is unable to carry on its business at the Airport for a period in excess of ninety (90) days; or
4. The lawful assumption by the United States, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof, in such a manner as to substantially restrict CAAMS from conducting business operations for a period in excess of ninety (90) days.
5. Thirty (30) days notice from CAAMS to the County Manager.

B. Termination by the Airport Authority. This Agreement shall be subject to termination by the Airport Authority in the event of any one or more of the following:

1. The default by CAAMS in the performance of any of the terms, covenants, or conditions of this Agreement, and the failure of CAAMS to remedy, or undertake to remedy, to the Airport Authority's satisfaction, such default for a period of fifteen (15) days after receipt of written notice from the Airport Authority to remedy the same;
2. The default by CAAMS in the performance of any of the terms, covenants, or conditions of that Lease Agreement dated July 18, 2006;
3. The filing by CAAMS of a voluntary petition in bankruptcy, or any involuntary petition in bankruptcy filed by CAAMS' creditors, or the making by CAAMS of a general or other assignment for the benefit of creditors, or the adjudication of CAAMS as a bankrupt, or the appointment of a receiver for the property or affairs of CAAMS where such receivership is not vacated within thirty (30) days after appointment of the receiver;
4. The occurrence of any other event which under the provisions of this Agreement results in termination of part or all hereof;
5. The conviction any owner-operator of CAAMS, of a felony under Federal or State law;
6. The abandonment of the Airport as an airport or airfield for any and all types, classes, or categories of aircraft; or
7. The abandonment of the premises by CAAMS or the abandonment of commercial operations for a period of thirty (30) days.

C. Exercise. Exercise of the rights of termination as set forth above shall be by written notice to the other party.

D. Causes of Breach; Waiver.

1. Neither party shall be held to be in breach of this Agreement because of any failure to perform any of its obligations hereunder if said failure is due to any cause for which it is not responsible and over which it has no control; provided, however, that the foregoing provision shall not apply to failures by CAAMS to pay fees or other charges to the Airport Authority.
2. The waiver of any breach, violation, or default in and with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation, or default in or with respect to the same or any other covenant or condition hereof.

XIV.
BENEFIT

This Agreement shall be binding upon and shall inure to the benefit of the respective parties, their heirs, successors, and assigns.

XV.
SEVERABILITY

If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

XVI.
CUMULATIVE REMEDIES

The specified remedies to which the Airport Authority may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Airport Authority may be lawfully entitled in case of any breach or threatened breach by CAAMS of any provisions hereof.

XVII.
NOTICE

Whenever under the terms of this Agreement either party shall be required or permitted to give notice to the other, such notice shall be in writing and shall be delivered either by first class U.S. mail or by hand-delivering such notice, as follows:

TO LESSOR: County Manager
 Carl Classen
 289 North Main Street
 Rutherfordton, North Carolina, 28139

WITH A COPY TO:

Airport Manager
Rutherford County Airport
622 Airport Road
Rutherfordton, NC 28139

TO LESSEE: CAAMS MRO Services, Inc.
622 Airport Rd.
Hangar 5C
Rutherfordton, NC 28139

XVIII.
ENTIRE AGREEMENT

This Agreement, the Lease Agreement dated July 18, 2006, the Assignment of Lease Agreement dated November 3, 2008, and the Assignment of Lease Agreement dated October ____, 2014 contain the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in any of these Agreements. All prior understandings, terms, or conditions are deemed merged in this Agreement, and the same may not be changed orally, but only by an amendment in writing signed by both parties. In the event that the terms and conditions of this Agreement and the Lease Agreement conflict, the terms of this Operation Agreement shall control.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed under hand and seal by authorized officers and by authority duly given, the day and year first above written.

LESSOR:

RUTHERFORD AIRPORT AUTHORITY

By: _____
_____, Chairman,
Rutherford Airport Authority

LESSEE:

By: _____
CAAMS MRO Services, Inc.

NORTH CAROLINA
RUTHERFORD COUNTY

I, _____, a Notary Public of Rutherford County, North Carolina, do hereby certify that _____ personally came before me this day and acknowledged that he is Chairman of the Rutherford Airport Authority and that, by authority duly given and as an act of the Rutherford Airport Authority, the foregoing instrument was signed in its name by the Chairman of the Rutherford Airport Authority Board.

Witness my hand and official seal this the _____ day of _____, 2014.

Notary Public

My commission expires: _____

NORTH CAROLINA
RUTHERFORD COUNTY

I, _____, a Notary Public for Rutherford County, North Carolina do hereby certify that _____ personally appeared before me this day and acknowledged he/she executes this instrument on behalf of _____, (name of corporation or limited liability company) and is the _____ (title) of such entity and is authorized to execute this instrument on its behalf and acknowledged the execution of the foregoing Agreement.

Witness my hand and official seal this the _____ day of _____, 2014.

Notary Public

My commission expires: _____

Prepared By: Elizabeth T. Miller, Rutherford Airport Authority Attorney
Post Office Box 800, Rutherfordton, NC 281399

NORTH CAROLINA
RUTHERFORD COUNTY

COMMERCIAL OPERATIONS AGREEMENT

THIS COMMERCIAL OPERATIONS AGREEMENT (hereinafter "Agreement"), is made and entered into effective the _____ day of _____, 2014, by and between **RUTHERFORD AIRPORT AUTHORITY**, a body politic, hereinafter called "AIRPORT AUTHORITY", and **CAAMS MRO SERVICES, INC.**, a North Carolina corporation, hereinafter called "CAAMS";

W I T N E S S E T H:

THAT WHEREAS, AIRPORT AUTHORITY is the owner of the Rutherford County Airport (hereinafter "Airport") and is the owner of an aircraft hangar known as Hangar 7A as shown on Exhibit A attached hereto, said hangar and premises being referred to herein as the "Subject Property," the same being located on a portion of the Airport property; and

WHEREAS, Airport Authority first entered into a Lease Agreement for the Subject Property, Hangar 7A, with Where's My Airplane, LLC, under date of July 1, 2008; and

WHEREAS, said Lease Agreement for Hangar 7A was subsequently assigned to CAAMS MRO SERVICES, INC, by that Assignment of Lease Agreement dated February 7, 2011 and recorded at Book _____, Page _____, Rutherford County Registry; and

WHEREAS, the Rutherford County Airport Board at its regular meeting of _____, approved this Agreement and authorized execution of the same;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the parties hereby agree as follows:

I.

PURPOSE

A. **Purpose.** CAAMS acknowledges that the real property comprising the Rutherford County Airport has a unique purpose and an irreplaceable value in that it provides taxiway and runway access for aircraft; that existing hangars and land on which hangars can be built should be used for aviation purposes in order to support Airport operations through lease proceeds, fuel purchases, and utilization of ancillary services; and that such use promotes revenue generating activities for the benefit and growth of the Airport and for the ability of the Airport to provide valuable services to its users.

Based upon the foregoing acknowledgement of purpose, it is agreed and understood that the Subject Property is to be used consistent with the same and as provided hereafter:

1. The parties expressly agree that in accordance with Paragraph 9 of the Lease Agreement dated July 18, 2006, referenced above, the Subject Property and the hangar situated thereon may be used for the purpose of aircraft storage, in such manner as is reasonable in view of both the size of said hangar and of the requirements and permitted uses under this Paragraph A.
2. CAAMS may also utilize the Subject Property for the commercial operation of an aircraft maintenance and repair facility, transit services (i.e., interior and exterior cleaning, catering and local transportation services), sale of aircraft and sale of parts for aircraft maintenance and repair. CAAMS shall be entitled to conduct such business operations and activities on the Subject Property as are reasonably necessary for and consistent with the stated additional purpose of operation of an aircraft maintenance facility, provided CAAMS complies with the following requirements:
 - a. The Subject Property is for the private use of CAAMS and the commercial use of CAAMS as set forth above and shall not be used for any other purpose unless otherwise expressly authorized in writing by the Airport Authority. CAAMS shall be entitled to establish and operate a facility on the Subject Property for the maintenance, repair, and storage of aircraft, together with all related and ancillary uses thereto.
 - b. CAAMS agrees that use of the Subject Property shall be in accordance with Federal, State, and local laws and regulations, including, but not limited, to those pertaining to fire and safety, as well as the Rules and Regulations of the Rutherford County Airport.
 - c. CAAMS' exclusive use is restricted to the Subject Property as described in the attached Exhibit "A" and does not apply to ramp, apron, or taxiway areas. All such exterior areas are common use areas available to all other tenants on the Airport. CAAMS agrees that CAAMS' aircraft and other property shall not be parked, positioned, placed, or stored in such exterior areas so as to block the use of the ramps, aprons, or taxiways by other Airport tenants or users. The Airport Authority reserves the right to require that aircraft or property be moved if it is interfering with the operation of the airport, in the sole discretion of the Airport Authority.
 - d. Storage of aircraft parts and accessories for CAAMS' maintenance operation on the Subject Property will be permitted.
 - e. Temporary storage of operable, currently tagged personal automobiles while aircraft is in use will be permitted.
 - f. CAAMS, its employees and customers shall be allowed to park vehicles only in areas designated and approved for parking by the Airport Authority.

- g. Signage affixed to the hangar is permitted only with the approval of the Airport Authority.
- h. CAAMS may make incidental uses of the Subject Property with the prior written permission of the Airport Manager. Absent such written permission, the Subject Property shall only be used for the acknowledged purpose and as stated herein.

II.

AIRPORT RULES AND REGULATIONS

This Agreement is made subject to the Rules and Regulations for the Rutherford County Airport (hereinafter the "Rules and Regulations"), and the same, as amended or changed from time to time, are made an integral part of this Agreement by reference thereto the same as if fully set forth herein.

III.

TERM

The term of this Agreement shall be for a period of three (3) years, commencing as of _____ day of _____, 2014, and continuing through the _____ day of _____, 2017. Thereafter, provided CAAMS is in compliance with all of CAAMS' requirements and obligations hereunder and in the Lease Agreement dated July 18, 2006, this Agreement shall renew automatically annually for one (1) year renewal terms each unless at least thirty (30) days prior to the end of a renewal term either party shall notify the other party in writing that the Agreement is not being renewed, in which event the same shall terminate as of the end of said renewal term. Notwithstanding the above, either party may terminate this Agreement in accordance with the provisions of Section XIII below.

IV.

FEE

In consideration of the rights and privileges granted by this Agreement, CAAMS agrees to pay to the Airport Authority during the initial three (3) year term of this Agreement, as a fee for operation of the commercial enterprise on the Subject Property, the sum of One Dollar (\$1.00) annually, payable on the anniversary date of this Agreement. Said fee payments shall be subject to the following terms and conditions:

- A. **Place of Payment.** All payments due from CAAMS to the Airport Authority shall be delivered or mailed to the Rutherford County Finance Office at that address as set forth in Section XVII below.

V.

RIGHTS AND OBLIGATIONS OF CAAMS

- A. **Operating Standards.** In using the Subject Property and the Rutherford County Airport,

CAAMS shall meet or exceed the following standards:

1. CAAMS shall at all times conform to and meet the requirements of all applicable provisions of the Rules and Regulations for the Rutherford County Airport.
2. CAAMS shall meet all expenses and payments in connection with the use of the Subject Property and the rights and privileges herein granted, including taxes, permit fees, license fees, insurance, and assessments lawfully levied or assessed due to commercial operations upon the Subject Property.
3. CAAMS shall comply with all Federal, State, and local laws and ordinances which may apply to the conduct of the business contemplated, and shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.

B. Use of Airport Facilities. CAAMS shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities, and aircraft parking areas designated by Lessor.

VI. INSURANCE

A. CAAMS' Required Insurance. CAAMS shall obtain and maintain continuously in effect at all times during the term of this Agreement, at CAAMS' sole expense, the following insurance:

1. Comprehensive general liability insurance and business liability insurance as against any and all liability by reason of CAAMS' conduct incident to the use of the Subject Property, or resulting from any accident occurring on or about the roads, driveways, or other public places, including runways and taxiways, used by CAAMS at the Airport, caused by or arising out of any wrongful act or omission of CAAMS, in the minimum amounts of one million (\$1,000,000) for bodily injury or death to any person and one million (\$1,000,000) for property damage;
2. Fire and extended insurance coverage for the Subject Property and all of CAAMS' contents and personal property on the Subject Property, in such amount as CAAMS shall deem to be adequate.

B. Airport Authority As Insured. The insurance specified under Paragraph A above shall name the Airport Authority and Rutherford County as an additional insured on each of the policies therefore, and CAAMS shall furnish to the Airport Authority annually a certificate of insurance evidencing CAAMS' compliance with said requirement.

C. **Notice.** The Airport Authority agrees to notify CAAMS in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder of which the Airport Authority has knowledge, and to co-operate with CAAMS in the investigation and defense thereof. CAAMS likewise agrees to notify the Airport Authority in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder as soon as CAAMS learns of the same.

VII.
INDEMNIFICATION

To the extent not covered by insurance carried in favor of the Airport Authority, CAAMS shall keep and hold harmless the Airport Authority and Rutherford County from and against any and all claims, demands, suits, judgments, costs, and expenses (including attorneys' fees) asserted by any person or persons, including agents or employees of the Airport Authority or Rutherford County or CAAMS, by reason of death or injury to persons or loss or damage to property, resulting from CAAMS' operations or anything done or omitted by CAAMS under this Agreement, except to the extent that such claims, demands, suits, judgments, costs, or expenses may be attributed to the negligence or intentional acts of the Airport Authority or Rutherford County or its agents or employees.

VIII.
CAAMS AS INDEPENDENT CONTRACTOR

In using the Subject Property and the Rutherford County Airport, CAAMS acknowledges that it acts as an independent contractor and not as an agent of the Airport Authority or Rutherford County.

IX.
ASSIGNMENT

CAAMS may not assign this Agreement without first having secured the written consent of the Airport Authority.

X.
LAWFUL USE

CAAMS covenants and agrees with the Airport Authority that it will not use or permit the Subject Property to be used for any unlawful purpose or permit thereon anything which may be a nuisance, or cause damage to the property, nor do or permit to be done on said Subject Property anything which may render void or voidable any policy of insurance on said premises. CAAMS further agrees that it will not use or permit the Subject Property to be used in violation of any Federal, State, or local law or ordinance.

XI.
NON-EXCLUSIVE RIGHT

It is understood and agreed that none of the privileges granted CAAMS for use of public or common areas are exclusive, and that it shall always be within the power and authority of the Airport Authority to grant to such other parties similar privileges as the Airport Authority may deem to be in the best interests of aviation and the Rutherford County Airport. It is further understood and agreed that the use of all landing areas and taxiways shall be open at all times to all persons, firms, and corporations desiring to use the same, provided only that they shall be required to use the same in accordance with all applicable Federal, State, and local laws, ordinances, rules, and regulations. Nothing in this Agreement shall be construed to grant or authorize the granting of any exclusive right with the meaning of Section 308(a) of the Federal Aviation Act of 1958, as amended.

XII.
REQUIREMENTS OF THE UNITED STATES

This Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the Airport Authority and the United States, the State of North Carolina, or any agency thereof, relative to the operation or maintenance of the Airport, the executive of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development or operation of the Airport; provided, however, that the Airport Authority shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of CAAMS in and to the Subject Property, and to compensation for the taking thereof, interference therewith, and damage thereto, caused by such agreement or by actions of the Airport Authority or the United States pursuant thereto.

XIII.
DEFAULT AND TERMINATION

A. Termination by CAAMS. This Agreement shall be subject to termination by CAAMS in the event of any one or more of the following:

1. The abandonment of the Airport as an airport or airfield for any and all types, classes, or categories of aircraft;
2. The default by the Airport Authority in the performance of any of the terms, covenants, or conditions of this Agreement, and the failure of the Airport Authority to remedy, or undertake to remedy, to CAAMS' satisfaction, such default for a period of fifteen (15) days after receipt of written notice from Lessee to remedy the same;
3. Damage to or destruction of all or a material part of the Subject Property or Airport facilities necessary for the operation of CAAMS' business, such that CAAMS is unable to carry on its business at the Airport for a period in excess of ninety (90) days; or

4. The lawful assumption by the United States, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof, in such a manner as to substantially restrict CAAMS from conducting business operations for a period in excess of ninety (90) days.
5. Thirty (30) days notice from CAAMS to the County Manager.

B. Termination by the Airport Authority. This Agreement shall be subject to termination by the Airport Authority in the event of any one or more of the following:

1. The default by CAAMS in the performance of any of the terms, covenants, or conditions of this Agreement, and the failure of CAAMS to remedy, or undertake to remedy, to the Airport Authority's satisfaction, such default for a period of fifteen (15) days after receipt of written notice from the Airport Authority to remedy the same;
2. The default by CAAMS in the performance of any of the terms, covenants, or conditions of that Lease Agreement dated July 18, 2006;
3. The filing by CAAMS of a voluntary petition in bankruptcy, or any involuntary petition in bankruptcy filed by CAAMS' creditors, or the making by CAAMS of a general or other assignment for the benefit of creditors, or the adjudication of CAAMS as a bankrupt, or the appointment of a receiver for the property or affairs of CAAMS where such receivership is not vacated within thirty (30) days after appointment of the receiver;
4. The occurrence of any other event which under the provisions of this Agreement results in termination of part or all hereof;
5. The conviction any owner-operator of CAAMS, of a felony under Federal or State law;
6. The abandonment of the Airport as an airport or airfield for any and all types, classes, or categories of aircraft; or
7. The abandonment of the premises by CAAMS or the abandonment of commercial operations for a period of thirty (30) days.

C. Exercise. Exercise of the rights of termination as set forth above shall be by written notice to the other party.

D. Causes of Breach; Waiver.

1. Neither party shall be held to be in breach of this Agreement because of any failure to

perform any of its obligations hereunder if said failure is due to any cause for which it is not responsible and over which it has no control; provided, however, that the foregoing provision shall not apply to failures by CAAMS to pay fees or other charges to the Airport Authority.

2. The waiver of any breach, violation, or default in and with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation, or default in or with respect to the same or any other covenant or condition hereof.

XIV. **BENEFIT**

This Agreement shall be binding upon and shall inure to the benefit of the respective parties, their heirs, successors, and assigns.

XV. **SEVERABILITY**

If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

XVI. **CUMULATIVE REMEDIES**

The specified remedies to which the Airport Authority may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Airport Authority may be lawfully entitled in case of any breach or threatened breach by CAAMS of any provisions hereof.

XVII. **NOTICE**

Whenever under the terms of this Agreement either party shall be required or permitted to give notice to the other, such notice shall be in writing and shall be delivered either by first class U.S. mail or by hand-delivering such notice, as follows:

TO LESSOR: County Manager
 Carl Classen
 289 North Main Street
 Rutherfordton, North Carolina, 28139

WITH A COPY TO:

Airport Manager
Rutherford County Airport
622 Airport Road
Rutherfordton, NC 28139

TO LESSEE: CAAMS MRO Services, Inc.
622 Airport Rd.
Hangar 5C
Rutherfordton, NC 28139

XVIII.
ENTIRE AGREEMENT

This Agreement, the Lease Agreement dated July 1, 2008 and the Assignment of Lease Agreement dated February 7, 2011 contain the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in any of these Agreements. All prior understandings, terms, or conditions are deemed merged in this Agreement, and the same may not be changed orally, but only by an amendment in writing signed by both parties. In the event that the terms and conditions of this Agreement and the Lease Agreement conflict, the terms of this Operation Agreement shall control.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed under hand and seal by authorized officers and by authority duly given, the day and year first above written.

LESSOR:

RUTHERFORD AIRPORT AUTHORITY

By: _____
_____, Chairman.
Rutherford Airport Authority

LESSEE:

By: _____
CAAMS MRO Services, Inc.

NORTH CAROLINA
RUTHERFORD COUNTY

I, _____, a Notary Public of Rutherford County, North Carolina, do hereby certify that _____ personally came before me this day and acknowledged that he is Chairman of the Rutherford Airport Authority and that, by authority duly given and as an act of the Rutherford Airport Authority, the foregoing instrument was signed in its name by the Chairman of the Rutherford Airport Authority Board.

Witness my hand and official seal this the _____ day of _____, 2014.

Notary Public

My commission expires: _____

NORTH CAROLINA
RUTHERFORD COUNTY

I, _____, a Notary Public for Rutherford County, North Carolina do hereby certify that _____ personally appeared before me this day and acknowledged he/she executes this instrument on behalf of _____, (name of corporation or limited liability company) and is the _____ (title) of such entity and is authorized to execute this instrument on its behalf and acknowledged the execution of the foregoing Agreement.

Witness my hand and official seal this the _____ day of _____, 2014.

Notary Public

My commission expires: _____

Prepared By: Elizabeth T. Miller, Rutherford Airport Authority Attorney
Post Office Box 800, Rutherfordton, NC 281399

NORTH CAROLINA
RUTHERFORD COUNTY

COMMERCIAL OPERATIONS AGREEMENT

THIS COMMERCIAL OPERATIONS AGREEMENT (hereinafter "Agreement"), is made and entered into effective the _____ day of _____, 2014, by and between RUTHERFORD AIRPORT AUTHORITY, a body politic, hereinafter called "AIRPORT AUTHORITY", and RUSSELL HYDE, d/b/a PLANE WERKS, Rutherford County, North Carolina, hereinafter called "Hyde";

WITNESSETH:

THAT WHEREAS, AIRPORT AUTHORITY is the owner of the Rutherford County Airport (hereinafter "Airport") and is the owner of an aircraft hangar known as Hangar 4A and 4B as shown on Exhibit A attached hereto and subject to the Lease Agreements as set forth below, said hangar and premises being referred to herein as the "Subject Property," the same being located on a portion of the Airport property; and

WHEREAS, the Airport Authority has previously authorized Hyde or his predecessors to install and utilize the concrete areas attached to Hangar 4A and 4B, a wash pit, five (5) tie down spots to the east of the concrete apron and well and septic system adjacent to Hangar 4A and 4B ("Appurtenances"); and

WHEREAS, Airport Authority entered into a Lease Agreement for the Subject Property with Hyde, under date of June 1, 2000, the same having been recorded at Book 772 Page, 312, Rutherford County Registry; and

WHEREAS, said Lease Agreement was subsequently revised to extend the term to forty (40) years pursuant to that restated Lease Agreement dated August 8, 2006 and recorded at Book 1078, Page 680, Rutherford County Registry; and

WHEREAS, said Lease Agreement does not specifically allow for commercial use of the Subject Property and Appurtenances and Hyde has been operating an aircraft maintenance operation on the subject premises with the implied consent of the Airport Authority and the parties desire to enter into an Operations Agreement for the Subject Property and Appurtenances in the form of this Agreement; and

WHEREAS, the Rutherford County Airport Board at its regular meeting of _____, approved this Agreement and authorized execution of the same;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the parties hereby agree as follows.

I.
PURPOSE

A. **Purpose.** Hyde acknowledges that the real property comprising the Rutherford County Airport has a unique purpose and an irreplaceable value in that it provides taxiway and runway access for aircraft; that existing hangars and land on which hangars can be built should be used for aviation purposes in order to support Airport operations through lease proceeds, fuel purchases, and utilization of ancillary services; and that such use promotes revenue generating activities for the benefit and growth of the Airport and for the ability of the Airport to provide valuable services to its users.

Based upon the foregoing acknowledgement of purpose, it is agreed and understood that the Subject Property and Appurtenances are to be used consistent with the same and as provided hereafter:

1. The parties expressly agree that in accordance with Paragraph 9 of the Lease Agreement dated August 8, 2006 referenced above, the Subject Property and Appurtenances and the hangar situated thereon may be used for the purpose of aircraft storage, in such manner as is reasonable in view of both the size of said hangar and of the requirements and permitted uses under this Paragraph A.
2. Hyde may also utilize the Subject Property and Appurtenances for the commercial operation of an aircraft maintenance facility. Hyde shall be entitled to conduct such business operations and activities on the Subject Property and Appurtenances as are reasonably necessary for and consistent with the stated additional purpose of operation of an aircraft maintenance facility, provided Hyde complies with the following requirements:
 - a. The Subject Property and Appurtenances are for the private use of Hyde and the commercial use of Hyde as set forth above and shall not be used for any other purpose unless otherwise expressly authorized in writing by the Airport Authority. Hyde shall be entitled to establish and operate a facility on the Subject Property and Appurtenances for the maintenance, repair, and storage of aircraft, together with all related and ancillary uses thereto.
 - b. Hyde agrees that use of the Subject Property and Appurtenances shall be in accordance with Federal, State, and local laws and regulations, including, but not limited, to those pertaining to fire and safety, as well as the Rules and Regulations of the Rutherford County Airport.
 - c. Hyde's exclusive use is restricted to the Subject Property and Appurtenances as described in the attached Exhibit "A" and does not apply to ramp, apron, or

taxiway areas. All such exterior areas are common use areas available to all other tenants on the Airport. Hyde agrees that Hyde's aircraft and other personal property shall not be parked, positioned, placed, or stored in such exterior areas so as to block the use of the ramps, aprons, or taxiways by other Airport tenants or users. The Airport Authority reserves the right to require that aircraft or personal property be moved if it is interfering with the operation of the airport, in the sole discretion of the Airport Authority.

- d. Storage of aircraft parts and accessories for Hyde's maintenance operation on the Subject Property and Appurtenances will be permitted.
- e. Temporary storage of operable, currently tagged personal automobiles will be permitted.
- f. Hyde, his employees and customers shall be allowed to park vehicles only in areas designated and approved for parking (including the concrete areas of the Subject Property and Appurtenances as shown on Exhibit B attached hereto) by the Airport Authority.
- g. Signage affixed to the hangar is permitted only with the approval of the Airport Authority.
- h. Hyde may make incidental uses of the Subject Property and Appurtenances with the prior written permission of the Airport Manager. Absent such written permission, the Subject Property and Appurtenances shall only be used for the acknowledged purpose and as stated herein.
- i. If, at any time Hyde is not utilizing the five (5) tie down spots that are included as part of the Appurtenances, and if all of the other useable tie down spots at the Airport are utilized, Hyde agrees to allow members of the public, needing a tie down spot, to use any of the said five (5) tie down spots that Hyde is not utilizing.

II.

AIRPORT RULES AND REGULATIONS

This Agreement is made subject to the Rules and Regulations for the Rutherford County Airport (hereinafter the "Rules and Regulations"), and the same, as amended or changed from time to time, are made an integral part of this Agreement by reference thereto the same as if fully set forth herein.

III.

TERM

The term of this Agreement shall be for a period of three (3) years, commencing as of ____ day of October, 2014, and continuing through the ____ day of _____ 2017. Thereafter, provided Hyde is in compliance with all of Hyde's requirements and obligations

hereunder and in the Lease Agreement dated August 8, 2006, this Agreement shall renew automatically annually for one (1) year renewal terms each unless at least thirty (30) days prior to the end of a renewal term either party shall notify the other party in writing that the Agreement is not being renewed, in which event the same shall terminate as of the end of said renewal term. Notwithstanding the above, either party may terminate this Agreement in accordance with the provisions of Section XIII below.

IV.
FEF

In consideration of the rights and privileges granted by this Agreement, Hyde agrees to pay to the Airport Authority during the initial three (3) year term of this Agreement, as a fee for operation of the commercial enterprise on the Subject Property and Appurtenances, the sum of One Dollar (\$1.00) annually, payable on the anniversary date of this Agreement. Said fee payments shall be subject to the following terms and conditions:

A. **Place of Payment.** All payments due from Hyde to the Airport Authority shall be delivered or mailed to the Rutherford County Finance Office at that address as set forth in Section XVII below.

V.
RIGHTS AND OBLIGATIONS OF HYDE

A. **Operating Standards.** In using the Subject Property and Appurtenances and the Rutherford County Airport, Hyde shall meet or exceed the following standards:

1. Hyde shall at all times conform to and meet the requirements of all applicable provisions of the Rules and Regulations for the Rutherford County Airport.
2. Hyde shall meet all expenses and payments in connection with the use of the Subject Property and Appurtenances and the rights and privileges herein granted, including taxes, permit fees, license fees, insurance, and assessments lawfully levied or assessed due to commercial operations upon the Subject Property and Appurtenances.
3. Hyde shall comply with all Federal, State, and local laws and ordinances which may apply to the conduct of the business contemplated, and shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.

B. **Use of Airport Facilities.** Hyde shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities, and aircraft parking areas designated by Lessor.

VI.

INSURANCE

A. Hyde's Required Insurance. Hyde shall obtain and maintain continuously in effect at all times during the term of this Agreement, at Hyde's sole expense, the following insurance:

1. Comprehensive general liability insurance and business liability insurance as against any and all liability by reason of Hyde's conduct incident to the use of the Subject Property and Appurtenances, or resulting from any accident occurring on or about the roads, driveways, or other public places, including runways and taxiways, used by Hyde at the Airport, caused by or arising out of any wrongful act or omission of Hyde, in the minimum amounts of \$1 million for bodily injury or death to any person and \$1 million for property damage;
2. Fire and extended insurance coverage for the Subject Property and Appurtenances and all of Hyde's contents and personal property on the Subject Property and Appurtenances, in such amount as Hyde shall deem to be adequate.

B. Airport Authority As Insured. The insurance specified under Paragraph A above shall name the Airport Authority and Rutherford County as an additional insured on each of the policies therefore, and Hyde shall furnish to the Airport Authority annually a certificate of insurance evidencing Hyde's compliance with said requirement.

C. Notice. The Airport Authority agrees to notify Hyde in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder of which the Airport Authority has knowledge, and to co-operate with Hyde in the investigation and defense thereof. Hyde likewise agrees to notify the Airport Authority in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder as soon as Hyde learns of the same.

VII. INDEMNIFICATION

To the extent not covered by insurance carried in favor of the Airport Authority, Hyde shall keep and hold harmless the Airport Authority and Rutherford County from and against any and all claims, demands, suits, judgments, costs, and expenses (including attorneys' fees) asserted by any person or persons, including agents or employees of the Airport Authority or Rutherford County or Hyde, by reason of death or injury to persons or loss or damage to property, resulting from Hyde's operations or anything done or omitted by Hyde under this Agreement, except to the extent that such claims, demands, suits, judgments, costs, or expenses may be attributed to the negligence or intentional acts of the Airport Authority or Rutherford County or its agents or employees.

VIII. HYDE AS INDEPENDENT CONTRACTOR

In using the Subject Property and Appurtenances and the Rutherford County Airport, Hyde acknowledges that he acts as an independent contractor and not as an agent of the Airport Authority or Rutherford County.

IX.
ASSIGNMENT

Hyde may not assign this Agreement without first having secured the written consent of the Airport Authority.

X.
LAWFUL USE

Hyde covenants and agrees with the Airport Authority that it will not use or permit the Subject Property and Appurtenances to be used for any unlawful purpose or permit thereon anything which may be a nuisance or cause damage to the property, nor do or permit to be done on said Subject Property and Appurtenances anything which may render void or voidable any policy of insurance on said premises. Hyde further agrees that it will not use or permit the Subject Property and Appurtenances to be used in violation of any Federal, State, or local law or ordinance.

XI.
NON-EXCLUSIVE RIGHT

It is understood and agreed that none of the privileges granted Hyde for use of public or common areas are exclusive, and that it shall always be within the power and authority of the Airport Authority to grant to such other parties similar privileges as the Airport Authority may deem to be in the best interests of aviation and the Rutherford County Airport. It is further understood and agreed that the use of all landing areas and taxiways shall be open at all times to all persons, firms, and corporations desiring to use the same, provided only that they shall be required to use the same in accordance with all applicable Federal, State, and local laws, ordinances, rules, and regulations. Nothing in this Agreement shall be construed to grant or authorize the granting of any exclusive right with the meaning of Section 308(a) of the Federal Aviation Act of 1958, as amended.

XII.
REQUIREMENTS OF THE UNITED STATES

This Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the Airport Authority and the United States, the State of North Carolina, or any agency thereof, relative to the operation or maintenance of the Airport, the executive of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development or operation of the Airport; provided, however, that the Airport Authority shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Hyde in and to the

Subject Property and Appurtenances, and to compensation for the taking thereof, interference therewith, and damage thereto, caused by such agreement or by actions of the Airport Authority or the United States pursuant thereto.

XIII. DEFAULT AND TERMINATION

A. **Termination by Hyde.** This Agreement shall be subject to termination by Hyde in the event of any one or more of the following:

1. The abandonment of the Airport as an airport or airfield for any and all types, classes, or categories of aircraft;
2. The default by the Airport Authority in the performance of any of the terms, covenants, or conditions of this Agreement, and the failure of the Airport Authority to remedy, or undertake to remedy, to Hyde's satisfaction, such default for a period of fifteen (15) days after receipt of written notice from Lessee to remedy the same;
3. Damage to or destruction of all or a material part of the Subject Property and Appurtenances or Airport facilities necessary for the operation of Hyde's business, such that Hyde is unable to carry on its business at the Airport for a period in excess of ninety (90) days; or
4. The lawful assumption by the United States, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof, in such a manner as to substantially restrict Hyde from conducting business operations for a period in excess of ninety (90) days.
5. Thirty (30) days notice from Hyde to the County Manager.

B. **Termination by the Airport Authority.** This Agreement shall be subject to termination by the Airport Authority in the event of any one or more of the following:

1. The default by Hyde in the performance of any of the terms, covenants, or conditions of this Agreement, and the failure of Hyde to remedy, or undertake to remedy, to the Airport Authority's satisfaction, such default for a period of fifteen (15) days after receipt of written notice from the Airport Authority to remedy the same;
2. The default by Hyde in the performance of any of the terms, covenants, or conditions of that Lease Agreement dated August 8, 2006;
3. The filing by Hyde of a voluntary petition in bankruptcy, or any involuntary petition in bankruptcy filed by Hyde's creditors, or the making by Hyde of a general or other assignment for the benefit of creditors, or the adjudication of Hyde as a bankrupt, or the appointment of a receiver for the property or affairs of Hyde where such

receivership is not vacated within thirty (30) days after appointment of the receiver;

4. The occurrence of any other event which under the provisions of this Agreement results in termination of part or all hereof;
5. The conviction of Hyde, or any owner-operator of Plane Werks, of a felony under Federal or State law; or
6. The abandonment of the Airport as an airport or airfield for any and all types, classes, or categories of aircraft.
7. The abandonment of the premises by Hyde or the abandonment of commercial operations for a period of thirty (30) days. Abandonment of the premises or commercial operations shall not be construed to mean inability to utilize the premises due to illness or injury of Hyde or damage to the premises requiring repair to the premises taking longer than thirty (30) days.

C. **Exercise.** Exercise of the rights of termination as set forth above shall be by written notice to the other party.

D. **Causes of Breach; Waiver.**

1. Neither party shall be held to be in breach of this Agreement because of any failure to perform any of its obligations hereunder if said failure is due to any cause for which it is not responsible and over which it has no control; provided, however, that the foregoing provision shall not apply to failures by Hyde to pay fees or other charges to the Airport Authority.
2. The waiver of any breach, violation, or default in and with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation, or default in or with respect to the same or any other covenant or condition hereof.

XIV.
BENEFIT

This Agreement shall be binding upon and shall inure to the benefit of the respective parties, their heirs, successors, and assigns.

XV.
SEVERABILITY

If any provision of this Agreement shall be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect.

XVI.
CUMULATIVE REMEDIES

The specified remedies to which the Airport Authority may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Airport Authority may be lawfully entitled in case of any breach or threatened breach by Hyde of any provisions hereof.

XVII.
NOTICE

Whenever under the terms of this Agreement either party shall be required or permitted to give notice to the other, such notice shall be in writing and shall be delivered either by first class U.S. mail or by hand-delivering such notice, as follows:

TO LESSOR: County Manager
 289 North Main Street
 Rutherfordton, North Carolina, 28139

WITH A COPY TO:

Airport Manager
Rutherford County Airport
622 Airport Road
Rutherfordton, NC 28139

TO LESSEE: Russell Hyde
 622 Airport Rd.
 Rutherfordton, NC 28139

XVIII.
ENTIRE AGREEMENT

This Agreement and the Lease Agreement dated August 8, 2006 contain the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in either of these Agreements. All prior understandings, terms, or conditions are deemed merged in this Agreement, and the same may not be changed orally, but only by an amendment in writing signed by both parties. In the event that the terms and conditions of this Agreement and the Lease Agreement conflict, the terms of this Operation Agreement shall control.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed under hand and seal by authorized officers and by authority duly given, the day and year first above written.

LESSOR:

RUTHERFORD AIRPORT AUTHORITY

By: _____,
_____, Chairman,
Rutherford Airport Authority

LESSEE:

By: Russell Hyde
Russell Hyde, d/b/a Plane Werks

NORTH CAROLINA
RUTHERFORD COUNTY

I, _____, a Notary Public of Rutherford County, North Carolina, do hereby certify that _____ personally came before me this day and acknowledged that he is Chairman of the Rutherford Airport Authority and that, by authority duly given and as an act of the Rutherford Airport Authority, the foregoing instrument was signed in its name by the Chairman of the Rutherford Airport Authority Board.

Witness my hand and official seal this the _____ day of _____, 2014.

Notary Public

My commission expires: _____

NORTH CAROLINA
RUTHERFORD COUNTY

I, Myra B. Ellenburg, a Notary Public for Rutherford County, North Carolina do hereby certify that Russell Hyde, d/b/a Plane Werks, personally appeared before me this day and acknowledged the execution of the foregoing Agreement.

Witness my hand and official seal this the 9th day of October 2014.

Myra B. Ellenburg
Notary Public

My commission expires: 12/2/2016

STATE OF NORTH CAROLINA

COUNTY OF RUTHERFORD

LICENSE AND USE AGREEMENT

THIS AGREEMENT, entered into this the ____ day of October, 2014 effective as of October 1, 2014, by and between the RUTHERFORD AIRPORT AUTHORITY, a local public authority organized and existing under the laws of the State of North Carolina (hereinafter "Authority") and Big Air Aviation, LLC, (hereinafter referred to as "Licensee").

WITNESSETH:

WHEREAS, the Authority is the owner of the Rutherford County Airport (hereinafter "Airport") and is the owner of the terminal building and premises having an address of 622 Airport Road, Suite 102, Rutherfordton, NC, and being referred to herein as the "Subject Property"; and

WHEREAS, the Licensee operates a commercial business which primarily conducts flight training and professional pilot services; and

WHEREAS, the Authority has determined that it is in the best interest of the Airport and the public utilizing the Airport to have access to the services provided by the Licensee; and

WHEREAS, the Authority and the Licensee desire to enter this License and Use Agreement for the Licensee's non-exclusive use of the Subject Property and other Airport Facilities in accordance with the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt of which is hereby expressly acknowledged, the parties agree to the following terms and conditions.

1. **Purpose.** Licensee acknowledges that the real property comprising the Rutherford County Airport has a unique purpose and an irreplaceable value in that it provides taxiway and runway access for aircraft; that the terminal building, hangars and other Airport facilities are to be used for aviation purposes in such manner as to optimally support Airport operations through lease proceeds, usage fees, fuel purchases, and utilization of ancillary services; and that such use promotes revenue generating activities for the benefit and growth of the Airport and for the ability of the Airport to provide valuable services to its users.

Based upon the foregoing acknowledgement of purpose, it is agreed and understood that the Licensee's right to use the Subject Property is to be used consistent with the same and with the following specific provision, the Licensee is hereby granted the non-exclusive right to utilize the Subject Property for the purpose of providing flight service, including flight training and professional pilot services provided such use is compliant with the terms and conditions stated

herein. Licensee shall be entitled to conduct such business operations and activities on the Subject Property as are reasonably necessary for and consistent with the stated use and purpose.

2. **Use.** Licensee's use of the Subject Property is non-exclusive and shall only be conducted at those times and in those locations upon the Subject Property as determined in the sole discretion of the Authority or the Airport Manager. The Authority shall establish such guidelines for usage as it deems appropriate in its sole discretion. Licensee shall not have the exclusive right to occupy or use any specific portion of the Subject Property and shall use the portions of the Subject Property and the Airport Facilities in compliance with the terms and conditions set forth herein. The Licensee hereby acknowledges that the granted use is non-exclusive and that third parties may be granted similar use rights for the Subject Property and the Airport Facilities.
 - A. Licensee agrees that use of the Subject Property shall be in accordance with Federal, State and local laws and regulations, including, but not limited, to those pertaining to fire and safety, as well as the Rules and Regulations of the Authority.
 - B. Licensee acknowledges that exterior areas are common use areas available to all tenants and licensees on the Airport. Licensee agrees that any aircraft utilized by Licensee during the operation of its commercial business shall not be parked or positioned in such exterior areas so as to block, limit or restrict the use of the ramps, aprons or taxiways by other Airport tenants or users.
 - C. Licensee shall not paint, alter or attach anything to the walls of the Subject Property without the express written consent of the Authority.
 - D. Licensee may utilize signage only with the express written approval of the Authority.
 - E. Licensee may only use any permitted portion of the Subject Property for the acknowledged purposes as stated herein.
3. **Airport Regulations.** This Agreement is made subject to the Rules and Regulations for the Rutherford County Airport (hereinafter the "Rules and Regulations"), and the same, as amended or changed from time to time, are made an integral part of this Agreement by reference thereto the same as if fully set forth herein.
4. **Term.** The term of this Agreement shall be for a period of three (3) years, commencing as of the 1st day of October, 2014 and continuing through the 30th day of September, 2015. This Agreement shall renew automatically annually for one (1) year renewal terms each unless at least thirty (30) days prior to the end of a renewal term either party shall notify the other party in writing that the Agreement is not being renewed, in which event the same shall terminate as of the end of said renewal term. Notwithstanding the above, either party may terminate this Agreement in accordance with the provisions of Paragraph 17 below.

5. **Usage Fee.** In consideration of the rights and privileges granted by this Agreement, Licensee agrees to pay to the Airport Authority during the initial one (1) year term of this Agreement, as a fee for the License to operate a commercial enterprise at the Airport, the sum of ONE DOLLAR (\$1.00) annually, payable on the anniversary date of this Agreement. Said fee payments shall be subject to the following terms and conditions:
 - A. **Place of Payment.** All payments due from the Licensee to the Airport Authority shall be delivered or mailed to the Rutherford County Finance Office at that address as set forth in Paragraph 18 below.
6. **Rights and Obligations of Licensee.**
 - A. **Operating Standards.** In using the Subject Property and the Rutherford County Airport, Licensee shall meet or exceed the following standards:
 - (1) Licensee shall at all times conform to and meet the requirements of all applicable provisions of the Rules and Regulations for the Rutherford County Airport.
 - (2) Lessee shall meet all expenses and payments in connection with the use of the Subject Property and the rights and privileges herein granted, including taxes, permit fees, license fees, and insurance.
 - (3) Licensee shall comply with all Federal, State, and local laws and ordinances which may apply to the conduct of the business contemplated, and shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.
 - B. **Use of Airport Facilities.** Licensee shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities, and aircraft parking areas designated by the Authority.
 - C. **Airport Board.** Notwithstanding any other provision of this Agreement, Licensee acknowledges and agrees that the authority and responsibility for overall operations of the Airport shall rest with the Rutherford Airport Authority, and said Authority shall at all times have the right to direct and control the operation of the Airport.
7. **Maintenance and Repair.** Authority shall be responsible for the maintenance and repair of all improvements constructed or located on Subject Property provided said maintenance or repair is not necessitated by the negligence or intentional acts of the Licensee. Any maintenance or repairs necessitated by the negligence or intentional acts of the Licensee shall be the responsibility of Licensee. Licensee shall be responsible for keeping the Subject Property free of litter and other debris and for maintaining the Subject Property in a state of cleanliness and neatness at all times.
8. **Utilities.** Authority shall pay all utility charges imposed upon the Subject Property during the term of this Agreement for all utilities, including but not limited to electricity, water, sewer, gas, and other utilities.

9. **Ad Valorem Taxes.** During the term of this Agreement, Authority shall pay any and all Rutherford County ad valorem property taxes and assessments imposed upon the Subject Property. Licensee shall pay any personal property taxes for its personal property located upon the Subject Property, including any applicable fire district taxes.

10. **Insurance.**

A. **Licensee's Required Insurance.** Licensee shall obtain and maintain continuously in effect at all times during the term of this Agreement, at Licensee's sole expense, the following insurance:

- (1) Comprehensive general liability insurance as against any and all liability by reason of Licensee's conduct incident to the use of the Subject Property, or resulting from any accident occurring on or about the roads, driveways, or other public places, including runways and taxiways, used by Licensee at the Airport, caused by or arising out of any wrongful act or omission of Licensee, in the minimum amounts of \$1 million for bodily injury or death to any person and \$1 million for property damage;
- (2) Fire and extended insurance coverage for all of Lessee's contents and personal property on the Subject Property, in such amount as Lessee shall deem to be adequate; and
- (3) Such other insurance as may be required by the Rules and Regulations.

B. **Authority As Insured.** The insurance specified under Paragraph A above shall name Authority as an additional insured on each of the policies therefore, and Licensee shall furnish to Authority annually a certificate of insurance evidencing Lessee's compliance with said requirement.

C. **Authority's Required Insurance.** Authority shall obtain and maintain continuously in effect at all times during the term of this Agreement, at Authority's sole expense, fire and extended insurance coverage for all improvements on the Subject Property equal to the fair market value of these improvements.

D. **Notice.** Authority agrees to notify Licensee in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder of which Authority has knowledge, and to co-operate with Licensee in the investigation and defense thereof. Licensee likewise agrees to notify Authority in writing as soon as practicable of any claim, demand, or action arising out of an occurrence covered hereunder as soon as Licensee learns of the same.

11. **Indemnification.** To the extent not covered by insurance carried in favor of Authority, Licensee shall keep and hold harmless Authority from and against any and all claims, demands, suits, judgments, costs, and expenses (including attorneys' fees) asserted by any person or persons, including agents or employees of Authority or Licensee, by reason of death or injury to persons or loss or damage to property, resulting from Licensee's operations or anything done or omitted by Licensee under this Agreement, except to the

extent that such claims, demands, suits, judgments, costs, or expenses may be attributed to the negligence or intentional acts of Authority or its agents or employees.

12. **Independent Contractor.** In using the Subject Property and the Rutherford County Airport, Licensee acknowledges that he acts as an independent contractor and not as an agent of Authority.
13. **Assignment.** Licensee may not assign this Agreement without first having secured the written consent of the Authority.
14. **Unlawful Use.** Licensee covenants and agrees with Authority that it will not use or permit the Subject Property to be used for any unlawful purpose or permit thereon anything which may be or may become a nuisance, or cause damage to the property, nor do or permit to be done on said Subject Property anything which may render void or voidable any policy of insurance on said premises. Licensee further agrees that it will not use or permit the Subject Property to be used in violation of any Federal, State, or local law or ordinance.
15. **Non-exclusive Right.** It is understood and agreed that none of the privileges granted Licensee for use of the Subject Property or the public or common areas of the Rutherford County Airport are exclusive, and that it shall always be within the power and authority of the Authority to grant to such other parties similar privileges as Authority may deem to be in the best interests of aviation and the County of Rutherford. It is further understood and agreed that the use of all landing areas and taxiways shall be open at all times to all persons, firms, and corporations desiring to use the same, provided only that they shall be required to use the same in accordance with all applicable Federal, State, and local laws, ordinances, rules, and regulations. Nothing in this Agreement shall be construed to grant or authorize the granting of any exclusive right with the meaning of Section 308(a) of the Federal Aviation Act of 1958, as amended.
16. **Requirements of the United States.** This Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the Authority and the United States or any agency thereof, relative to the operation or maintenance of the Airport, the executive of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development or operation of the Airport.
17. **Termination.** This Agreement shall be subject to termination by either party upon thirty days written notice to the other party.
18. **Notices.** Whenever under the terms of this Agreement either party shall be required or permitted to give notice to the other, such notice shall be in writing and shall be delivered either by first class U.S. mail or by hand-delivering such notice, as follows:

TO LESSOR: Carl Classen
Rutherford County Manager
289 North Main Street
Rutherfordton, North Carolina 28139

WITH A COPY TO: Rutherford County Airport
622 Airport Road
Rutherfordton, NC 28139

TO LESSEE: Robert Garth Craig
Big Air Aviation, LLC
1438 Nanney Town Road
Union Mills, NC 28167

19. **Benefit.** This Agreement shall be binding upon and shall inure to the benefit of the respective parties, their heirs, successors, and assigns.

LESSOR:

RUTHERFORD AIRPORT AUTHORITY

By: _____
Greg Lovelace, Chairman,
Rutherford Airport Authority Board

LESSEE:

BIG AIR AVIATION, LLC

By: Robert Garth Craig
Robert Garth Craig, Manager

NORTH CAROLINA
RUTHERFORD COUNTY

I, _____, a Notary Public of Rutherford County, North Carolina, do hereby certify that Greg Lovelace personally came before me this day and acknowledged that he is Chairman of the Rutherford Airport Authority Board, by authority duly given and as an act of the Rutherford Airport Authority Board, the foregoing instrument was signed in its name by the Chairman of the Rutherford Airport Authority Board.

Witness my hand and official seal this the ____ day of October, 2014.

Notary Public

My commission expires: _____

NORTH CAROLINA
RUTHERFORD COUNTY

I, Patricia D. Tuttle, a Notary Public for Rutherford County, North Carolina, do hereby certify that Robert Garth Craig personally came before me this day and acknowledged that he is the Member/Manager of Big Air Aviation, LLC, a North Carolina limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name by him as Member/Manager.

Witness my hand and official seal this the 9th day of October, 2014.

Patricia D. Tuttle
Notary Public

My commission expires: 8-10-2015



**Rutherford County Airport
Fuel Prepay Proposal
Amended 10/8/2014**

The current fuel pre-purchasing policy was established by the Rutherford County Airport Authority in FY2011-12. The current policy is:

- Jet-A fuel may be pre-purchased at cost, plus a predetermined mark-up. (20 cents).
- 1,000 gallon minimum to pre-purchase.
- The same 20 cents is used to mark-up, regardless of amount purchased.
- A 10 cent discount will be given to fuel loaded into planes for which property taxes have been levied during the current tax year

Fuel prices, particularly Jet-A (which is basically a high grade kerosene or diesel) tend to rise in winter months due to winter heating costs. As mentioned earlier in previous deliberations, this policy provided positive cash flow if the price remained at the price it was sold or dropped below that level. If the price of fuel rose, the policy could result in a negative cash flow if the price of fuel rises.

Fuel prices fluctuate weekly, which staff monitors and compares with the price of fuel sold at surrounding airports. This allows Rutherford County Airport to provide competitive pricing for airplanes based at the Airport or travelling through the area.

Initially staff proposed a rebate program that would provide lower pricing for volume fuel purchasers but this concept did not fit well with several aircraft owners' business models. In the alternative, the County Manager and Airport Operations Manager have discussed a flowage fee proposal with aircraft owners/operators and it has been positively received.

The fuel flowage proposal would work as follows:

- Prepayment for Jet A (no pre-payment plan for 100LL)
 - \$2,500 to 7,499 Price of fuel: Current Cost plus 40 cents and taxes
 - \$7,500 and \$12,500 Price of fuel: Current Cost plus 15 cents and taxes
 - \$12,600 and \$19,999 Price of fuel: Current Cost plus 10 cents and taxes
 - \$20,000 and over Price of fuel: Current Cost plus 5 cents and taxes
- Current Cost equals the price of the fuel delivered plus a 20-cent per gallon operations charge.
- Pre-payments would not be recorded as revenue until the fuel is pumped into the aircraft. This reduces monthly fluctuations and does not overstate revenues. Pre-payments will be carried as a liability until the fuel is sold (put into an aircraft).
- Accounts shall be established by tail number, not by payee or user.
- Each year, the County would advise pre-payers of their balance and request notice whether the pre-payer wanted to continue the balance or have it refunded.

Rutherford County Airport Authority Meeting

July 10, 2012

Present: Authority members – Bob Howard, Chairman; Bob Ralph, Vice Chairman; Rob Bole, Keith Hunter and Jamie Lou Padgett.

Also present: Beth Miller, Airport Authority attorney; James Luther, WK Dickson; Ed Robinson, Russell Hyde, Robert Koone, David Reno, George & Jane Ronan and Jeanette Bosgra.

Bob H. opened the meeting. Jamie Lou led in prayer and the pledge of allegiance followed.

Minutes – Bob R. asked for the minutes to be amended to show the chairman's statement that Rob would not be recognized to speak after he declined to serve as treasurer. After discussion on exactly what was said, Keith motioned to accept the minutes as sent and read. Motion passed 3-2 with Bob R. and Rob opposed.

Public Comments – There were no public comments.

Budget Review – The June revenue and expense report was discussed. Keith motioned to accept and three were in favor. Rob and Bob R. did not vote.

New Business

Election of Officers – For the chairman, Keith nominated Bob Howard and Rob nominated Bob Ralph, stating that the authority needed new leadership. Bob H., Keith and Jamie Lou voted for Bob Howard. Bob R. and Rob voted for Bob Ralph. For vice-chair, Jamie Lou nominated Keith and Rob nominated Bob Ralph. Bob H., Jamie Lou and Keith voted for Keith. Bob R. and Rob voted for Bob Ralph.

Request for Proposals – Bob H. asked the board to allow this item to be interjected. The attached request for proposals was distributed to the board and any changes were asked to be sent to Bob H. He then distributed the attached proposal and email from Fly High Inc. Jamie Lou met them through Region 3 conference that she attended in June.

Abandoned Aircraft in Hangar – Keith reported that the owners do not owe any money to the county and he will contact them regarding the aircraft.

County Airport Prices – Hangar Space, Tiedowns, Moving Aircraft – Bob H. motioned to lease the old tug lease to Russell. Motion passed unanimously.

Old Business

H2Air Fuel Truck Request – Bob spoke with Mr. Hall and he will try to get back to the board prior to the next meeting. Kyle Hankinson spoke on the request saying they are committed to make the situation work for both the county and their company.

WK Dickson- James reported that the final inspection was done on the west hangar project and a punch list was developed. Some work was done today and they will be back in September to reseed. H & R will unclog drains per Keith.

Rules & Regulations Revision Update – Bob H. reported that he is still waiting for Keith Merritt to send the draft but a bill has been received for work through June.

Solar Project Update – The attached timeline for the project was distributed.

Parking Lot Paving Project – Keith reported the parking lot project has been completed.

Hangar Inspection Update – Bob H. reported that inspections are almost complete. One individual is undergoing chemotherapy right now and has been out of town. Bob R. suggested the board develop a policy for inspections, for example every three years and to respect property rights by not entering without permission. Any other inspections can be brought to the board's attention for action. After discussion, Bob R. motioned that hangars be inspected every three years, with hangar doors open and to not enter without permission. Any other reason for inspection would be brought to the board and voted on. Motion passed 4-1 with Keith opposed.

Airport Manager's Report

Ed reported sales of 3,387.30 gallons for June. 1797 were Jet A. Bob H. motioned to give a 10 cent discount per gallon to planes based on the field effective July 1st. Motion passed with all in favor.

Bob H. reported that he had talked with the county manager about the issues of not taking cash. After discussion on giving cash discount, responsibility of handling cash and the problems of dealing with returned checks, Bob H. withdrew his motion to accept cash and bond employees. The item will be brought up in August for discussion again.

Bob H. informed the board that this was the secretary's last meeting.

The meeting was adjourned at 6:20 pm.

Carl Classen

From: Carl Classen
Sent: Tuesday, October 14, 2014 4:42 PM
To: Bill Eckler; Bo Richard; Eddie Holland; Greg Lovelace; Julius Owens
Cc: Hazel Haynes; Brooke Watson; Paula Roach; 'Beth Miller'; Chris Roach; 'Walston, Bobby L'; Basil Yap (bkyap@ncdot.gov)
Subject: Airport Projects - Project Outline

Dear Commissioners –

Yesterday, I met with NCDOT Division of Aviation staff. I appreciate their time and counsel.

First, Finance Officer Paula Roach is inquiring about reimbursement of both the waterline and fiber line work. It was always thought the waterline work could be reimbursed but the fiber line was unknown. I did not get a confirmation but we were encouraged to submit both projects for 90% grant reimbursement.

Second, the County was encouraged to secure a proposal for updating the Airport Layout Plan (ALP). I will be asking WKDickson for this proposal, which I will then forward to the Division of Aviation for review. This ALP update is the first step towards the Runway Extension project and other Airport Improvement projects. After the ALP is approved by the Division of Aviation and has been commented upon by the FAA, the Airport would then seek proposals for the engineering, design and permitting of the Runway Extension Project. Once the engineering, design and permitting is complete, bid documents would be prepared while land acquisition and RPZ extensions are underway. When that is completed, the project could go out to bid and a contract awarded for construction.

Third, all of the above work is eligible for existing grant funding but not as quickly as may be needed to take advantage of economic development opportunities. The project is presently ranked high enough to be funded through the STIP but we will explore alternative funding given the County and regional economic development impact of the project.

Lastly, the [Governor's Aviation Development Task Force](#) was named in August. The role of the Task Force is "...to submit a comprehensive report and recommendations to the Secretary of Transportation for the enhancement of the state's aviation programs." They are seeking locations around the State to meet and we will extend an invitation for them to see the good things happening in and around Rutherford County.

Our goal will be to work closely with the NCDOT Division of Aviation and with the FAA, to the extent they wish to review any work planned or to be done by the County.

I will provide an overview of this project outline to the Airport Board next week but please contact me beforehand with any questions.

Carl

Carl Classen
County Manager
Rutherford County, NC
(828) 287-6060